REMARKS

Claims 1, 6 and 11 have been amended to clarify that the invention relates to a supply chain management system with independent suppliers, distributors, stores and an independent supply chain manager as participants. Also, these claims have been amended to clarify that the independent supply chain manager performs a number of the steps in the claimed method. Additionally, claims 6 and 11 have been amended to obviate the section 112 objection made in the office action. Thus, claims 1-15 remain pending in the present application.

Referring to the office action, claims 1-15 have been rejected under 35 USC 103 as being unpatentable over Chapters 13-15 of the "Production and Operations Management" manual. This rejection is respectfully traversed for the amended claims and reconsideration is requested.

The cited reference discloses various methods of controlling inventory levels. However, applicants have found no reference to any of the claimed steps of

"in a supply chain having multiple supply chain participants comprising independent suppliers, independent distributors, independent stores, and an independent supply chain manager that are connected by a supply chain management framework computer system, receiving an appointment from a buying supply chain participant of the independent supply chain manager for the buying supply chain participant;"

Note that there is no disclosure of appointment in the reference.

"receiving a grant of authority to the <u>independent</u> supply chain manager to negotiate supply agreements between a selling supply chain participant and the <u>independent</u> supply chain manager on behalf of the buying supply chain participant;"

Note that there is no disclosure of receiving a grant of authority in the reference.

"the independent supply chain manager entering into the supply agreement, wherein the supply agreement has provisions including i) establishing a contract price for the good, and ii) requiring the selling supply chain participant to bill the buying supply chain participant

at an invoice price to be determined by the independent supply chain manager which invoice price is different from the contract price."

Note that there is no disclosure in this reference of establishing a contract price for the good and then having an independent supply chain manager set a billed invoice price for the buying supply chain participant which invoice price is different from the contract price. The implementation for having the independent supply chain manager set a billed invoice price to be billed to the buying supply chain participant is something not done in a sales transaction and is not shown by the references. Moreover, the fact that the invoice price is different from the contract price is not shown by the references. One of the advantages of this implementation is that it permits the independent supply chain manager in the claimed invention to create a differential between the contract price and the billed invoice price to generate revenue and/or smooth out short term price fluctuations across the entire supply chain. See pages 55-58 of applicants' specification. Note that dependent claims 4, 9 and 14 cover the situation wherein there is an overpayment, and the difference between the contract price and the billed invoice price is paid to the supply chain manager. Likewise, claims 5, 10, and 15 cover the situation wherein the there is an underpayment and the amount of the underpayment is made up, for example by the supply chain manager, so that short term price fluctuations are smoothed out.

"the independent supply chain manager establishing an invoice price for the good at various times during the term of the supply agreement." (Emphasis added.)

Note that there is no disclosure of an independent supply chain manager establishing an invoice price at various time during the term of the supply agreement in the reference. The claimed step of allowing an independent supply chain manager the ability to change pricing in the supply transaction either at will, or in response to a particular event is not disclosed or suggested in the cited art.

The examiner has stated that all of these multiple missing elements in combination are an obvious design choice to one of ordinary skill in the art at the time of the invention, as these methods are well known in the art of business. The examiner is requested to substantiate this position with prior art references, per MPEP 2144.03 and to provide a

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suggestion in the prior art of a motivation to combine each of these elements to realize the claimed combination.

In view of the foregoing amendments and remarks, reconsideration of the rejection and early passage to issue of this application is respectfully requested.

The Examiner is invited to contact the undersigned by telephone if it is felt that a telephone interview would advance the prosecution of the present application.

The Commissioner is hereby authorized to charge any additional fees which may be required regarding this application under 37 C.F.R. §§ 1.16-1.17, or credit any overpayment, to Deposit Account No. 19-0741. Should no proper payment be enclosed herewith, as by a check being in the wrong amount, unsigned, post-dated, otherwise improper or informal or even entirely missing, the Commissioner is authorized to charge the unpaid amount to Deposit Account No. 19-0741. If any extensions of time are needed for timely acceptance of papers submitted herewith, Applicant hereby petitions for such extension under 37 C.F.R. §1.136 and authorizes payment of any such extensions fees to Deposit Account No. 19-0741.

Respectfully submitted,

Date December 10, 2003

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